

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE KENTUCKY PUBLIC SERVICE COMMISSION	)	
	)	
VS.	)	CASE NO.
	)	9337
SPEARS WATER COMPANY, INC.	)	

O R D E R

On January 9, 1984, the Commission received a letter of complaint and accompanying petition from Ms. Kathy Smitson and others regarding low water pressure in the Ashgrove Road area of Jessamine County, Kentucky. Ms. Smitson, et al., are customers of the Spears Water Company, Inc. ("Spears").

A Commission staff investigation was made of the Spears water system in the Ashgrove Road area on January 23, 1984. This investigation found that Spears was not providing a service pressure of 30 psig under normal conditions to customers in this area in accordance with Section 6 of 807 KAR 5:066. In addition, Spears had constructed a 2-inch distribution line exceeding the maximum non-circulating length of 250 feet in violation of Section 11 of 807 KAR 5:066. This investigation report was submitted on March 5, 1984, to Spears with the Commission's recommendations that Spears submit a water system improvement program.

Spears responded to the report, stating that, at the time of the January 23, 1984, investigation, the standpipe, which directly affects the water pressure to the complainants, was not in operation due to freezing. Parts to correct this problem were ordered and the standpipe was back in operation April 30, 1984.

On May 25, 1984, a second investigation was made of the water system on Ashgrove Road to verify if the pressure problem had been corrected. This investigation found Spears still in violation of the minimum service pressure and still exceeding the maximum length of 2-inch distribution line.

Upon receipt of the results of this investigation, Spears responded that a second problem had occurred, and the standpipe was not in proper operation during the May 25, 1984, investigation. Spears said this second problem had been corrected and the pressure problem was solved.

A third investigation was made in the complaint area on July 20, 1984. The results of this investigation were the same as the previous investigations. Again, Commission staff recommended that Spears formulate a water system improvement program and file a copy of it with the Commission within 30 days.

On September 11, 1984, Spears responded, saying it would loop a water line to a larger diameter existing line to provide adequate pressure in the complaint area. However, the construction of this water line would be delayed until

Spears' pending rate case before the Commission was determined.

The Commission notified Spears on September 18, 1984, that the rate case had no bearing on the construction of a new water line in the area of Ashgrove Road unless Spears amended its application to include a request for a certificate of public convenience and necessity. Also, Spears needed to formulate and submit a water system improvement program to the Commission.

Spears did not respond in the appropriate time period to this letter nor to follow-up letters dated November 19, 1984, and March 19, 1985.

By Order entered May 23, 1985, the Commission directed Spears to appear before it on June 13, 1985, and show cause why it should not comply with the Commission's regulations and correct the known and identified service problems in the Ashgrove Road area.

A hearing was held in Frankfort, Kentucky, on June 13, 1985, and all parties of interest were given an opportunity to be heard.

#### COMMENTARY

The Commission, by letter dated May 24, 1985, advised Ms. Kathy Smitson that a hearing had been scheduled on her complaint against Spears. Ms. Smitson did appear at the hearing of June 13, 1985, along with one other customer of Spears, Ms. Susan Piston.

Ms. Smitson's testimony may be summarized as follows: Ms. Smitson has been a customer of Spears for approximately 8 years. Since that time, she has experienced low water pressure at her home from Spears. She has contacted Spears numerous times regarding this problem but has never received any satisfaction that the problem was or will be properly corrected.

Ms. Piston's testimony can be summarized as follows: Ms. Piston has been a customer of Spears for roughly 3 years. Her complaint is the low water pressure and frequent interruptions of service. She is also concerned about the main line freezing, again, and being out of water for a week as happened in 1983.

Mr. John G. Horne's testimony can be summarized as follows: Mr. Horne was hired as a consulting engineer by Spears on January 2, 1985, to review the low pressure problem experienced by the Ashgrove Road customers. On March 14, 1985, Mr. Horne submitted a letter to Spears' Manager, Ms. Elizabeth Underwood, recommending replacement of the existing 2- and 3-inch water line with a 6-inch main to correct the pressure problem. Mr. Horne received authorization to proceed with the preparation of design plans from Mr. William M. Arvin, President of Spears. On March 25, 1985, Mr. Horne sent a letter to Ms. Underwood confirming that he would prepare construction plans; however, a personal tragedy prevented him from pursuing this until mid-May 1985. Mr. Horne

furnished Spears on June 7, 1985, with information concerning the projected schedule of completion of work and a proposed construction schedule of the improvements on Ashgrove Road. The construction plans submitted by Mr. Horne were briefly reviewed during the hearing by Commission staff. These plans did not address any improvements to the 2-inch lateral mains located in the trailer parks on Ashgrove Road. The Commission staff requested Mr. Horne to correct these construction plans to meet Section 11 of 807 KAR 5:066.

#### FINDINGS AND ORDERS

The Commission, after examining the record and being advised, is of the opinion and finds that:

1. Spears has not provided a minimum service pressure of 30 psig in accordance with 807 KAR 5:006, Section 6, to customers in the Ashgrove Road area of Jessamine County, Kentucky.

2. Spears has distribution and lateral lines serving the customers of Ashgrove Road that are exceeding the maximum length of a 2-inch nominal size pipe pursuant to 807 KAR 5:006, Section 11. These water lines are inadequate to deliver all reasonable water requirement of its customers.

3. Spears hired an engineer to review the low water pressure problems on Ashgrove Road on January 2, 1985. The Commission first notified Spears of low pressure on March 15, 1984.

4. Spears has not applied to the Public Service Commission for a certificate of convenience and necessity to construct a new distribution line.

5. Spears, prior to the June 13, 1985, hearing, had never provided the Public Service Commission with a schedule of events and the requisite financial package to implement the improvements necessary in the Ashgrove Road area as requested in the August 20, 1984, investigation report.

IT IS THEREFORE ORDERED that Spears shall immediately formulate a water works improvements project to directly address and correct the service deficiencies set out in the above findings and shall make application to the Commission for a certificate of convenience and necessity within 30 days of the date of this Order. Failure to file an application within 30 days shall subject Spears to penalties as prescribed in KRS 278.990.

IT IS FURTHER ORDERED that Spears shall file with this Commission the financial exhibits required by 807 KAR 5:001, Section 6, within 30 days of the date of this Order.

IT IS FURTHER ORDERED that Spears shall notify the Commission in writing upon completion of the following items: Construction Drawings; Division of Water Approval; Bid Advertisement and Award; and Construction Completion.

IT IS FURTHER ORDERED that nothing herein shall prevent the Commission from entering further Orders in this matter.

Done at Frankfort, Kentucky, this 26th day of July, 1985.

PUBLIC SERVICE COMMISSION

*Richard D. Hemmings*  
Chairman

*Paul H. Gray*  
Vice Chairman

*James H. Hull*  
Commissioner

ATTEST:

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Secretary